

United States Senate

WASHINGTON, DC 20510

January 20, 2004

Senator Chuck Grassley
Chairman
Finance Committee
United States Senate
Washington DC

Senator Max Baucus
Ranking Member
Finance Committee
United States Senate
Washington DC

Dear Senators Grassley and Baucus:

We are writing to request that the Finance Committee schedule a hearing to explore a critical and timely issue: whether people with disabilities and older Americans who receive Medicaid should have the choice to live in their homes and neighborhoods, rather than nursing homes and institutions.

Currently, 70% of the Medicaid resources for long term care services are spent on nursing homes and institutions and only 30 % supports home and community based services. This institutional bias is the logical result of a Medicaid statute which requires that states provide nursing home care, but gives states the option of whether to offer home and community based services.

As a result, many people with disabilities and older Americans who rely on Medicaid are denied any choice about their living arrangements and are often forced to move to an institutional setting. They have to leave their homes and neighborhoods and say goodbye to friends and families. This forced segregation violates American values of fairness and inclusion.

We have proposed several pieces of legislation to address the Medicaid institutional bias and provide some relief for individuals who have suffered the consequences of this flawed program. Both S. 1394, the Money Follows the Person Act (co-sponsored by Senators Harkin, Smith, Specter and others) and S. 971, the Medicaid Community-Based Attendant Services and Supports Act (co-sponsored by Senators Harkin, Specter, and others), offer alternatives that would provide choices to people with disabilities and older Americans. In addition, the administration has proposed a New Freedom Initiative Medicaid Demonstration Act with similar goals and objectives.

When the Money Follows the Person program was offered as an amendment to the Medicare bill last summer, members of the Finance Committee expressed their general support for the goals of the amendment, but asked for further opportunity to examine the issues in committee. We request that the committee hold a hearing as part of that process and move quickly to pass legislation so we can put an end to forced segregation and isolation of people with disabilities and older Americans.

If you have any questions, please contact Mary Giliberti (4-3254) of Senator Harkin's staff, Alison Buist (4-3753) of Senator Smith's staff or John Myers (4-4254) of Senator Specter's staff.

Sincerely,



Senator Tom Harkin Senator Gordon Smith Senator Arlen Specter